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TRANSLATION OF A FRENCH POLICE REPORT DATED 20.12.39.

The American concern of William Hunt & Company was founded more than two years ago by William P. Hunt, a resident of Shanghai and his brothers Harry J. Hunt, Albert H. Hunt and E. Hunt, who are at present in the United States.

The immediate object of the organization of the company was the exploitation of the interests of the China Merchants Steam Navigation Company, controlled by the Chinese Nationalist Government, to prevent the Japanese seizing the concern's properties.

It was on November 9, 1937 (just two days before the occupation of Nantao by the Japanese) that William Hunt & Co. officially took under its control the properties of the China Merchants Steam Navigation Company located on the Kin Lee Yuan Wharf, the name of which was then changed to that of Roosevelt Terminal .

Little by Little, William Hunt & Co. extended its control to other Chinese concerns desirous of avoiding contact with the Japanese.

One copy taken for S.C.G

SHANGHAI 10 JAN. 1940 COMMISSIONER'S OFFICE

To-day, this company officially controls, in addition to the interests of the C.M.S.N.Co., the following enterprises:-

1) Hunt Engineering Corporation, 53 Foochow Road.
2) Hunt Steamship Corporation (ex-China Foreign S.S. Corporation), 53 Foochow Road.
3) China Foreign Assurance Corporation.
4) China Foreign Trade Corporation, 47 Ningpo Road.
5) Nanyang Bros. Tobacco Co. Inc. 1835-5 Avenue Edward XII.
6) Watson's Mineral Water Co. Inc., 613 Avenue Haig.
7) China Corporation.

It has to be noted that in almost all cases, William Hunt & Co. only act as agents and that the enterprises cited above still continue to be directed by their true Chinese owners.

It is inside this "double control" that it is at first necessary to seek the possibility of relations between William Hunt & Co. and German firms. Indeed, certain Chinese enterprises were and still are in close contact with German houses. For example, the China Foreign Trade Corporation, agents for the Algemeine Electrizitaets Gesellschaft (AEG), Berlin. The present manager of the China Foreign Trade Corporation is one S. HALAS who appears to be of either Czech or Slovakian origin. Coming from Europe, he is said to have arrived in Shanghai five or six months ago to occupy the post of technical "manager" of the local branch of the AEG at 267 Kiangse Road.

On the other hand we note that Mr. Hunt is in close contact with certain high officials of the Chungking Government. It is more than likely that he is able to utilize the neutral status of his house to "favour" the despatch into "Free China", via Indo-China, of German merchandise ordered by Chinese firms controlled by him or his Chinese friends.

Up to the present it has been impossible for us to establish a single concrete case of such an operation since the transactions are most delicate in nature. It appears, however, that the branch at Hongkong of William Hunt & Co. plays a very important role in transactions of this kind. Nevertheless, we are continuing our investigations and should further information be secured in this connection, a subsequent report will be made immediately.

The following is information relating to Mr. William Hunt, director of the company:-

Born on May 11, 1900 at Niagara Falls, N.Y., U.S.A, the son of Harry J. Hunt and the late Alice Rogers. Married to Mrs. Vera Frisk at Shanghai on December 21, 1927. Has one daughter. Resides at 169 Route Winling.

Educated at Emerson Institute, George Washington University and National Law School of Washington. Employed

from 1918 till 1925 in the American Senate and was associated with the law firm of Wendell, Jones and Jones of Washington from 1923 to 1925.

He was appointed American Vice-Consul in Tientsin in 1925 and arrived in China on May 2, 1925.

He had to resign in 1927 following a certain "scandal" in which he was compromised. The details are:-

In 1924 a very important Chinese firm, the Union Trading Company, failed tothe extent of several hundred thousand dollars. The enterprises of this house were many; import of tools, American grain, export of nuts, earth-nuts, cotton, etc; the concern also had interests in the salt-mines in the North. The administrator of this company, Henan CHI, an American returned student, had numerous political acquaintances in North China; personally he was interested in the trafficking of narcotics. But more than anything else it was in unfortunate exchange dealings that he squandered the funds of the Union Trading Company; numerous embezzlements served to conceal for a lengthy period the financial losses undergone by Henan CHI.

He was personally indebted to the Chung Yuen Bank, rue Takou, British Concession in Tientsin, to the extent of $125,000; as General CHU YU PU, governor of Shantung, had interests in this Bank, he had Henan CHI arrested and detained for more than eighteen months. Under promise of liberation, CHI undertook to transfer to the director of the Chung Yuen Bank certain shares and recoverable credits for the amount of this debt. But, when the Chung Yuen Bank wished to negotiate these securities, it was perceived that certain transfer formalities which needed the signature of Henan CHI, had not been carried out. Henan CHI then countersigned the balance against his liberty and thus obtained his release. Since his release from prison, he has disavowed all contracts taken in regard to the Chung Yuen Bank, which of course injured the other creditors.

On the request of these creditors the French Police in Tientsin succeeded in placing their hands on the amounts which should have been transferred to the Chung Yuen Bank.

The liquidation of the Union Trading Company was the legally undertaken and a liquidator, Mr. R. T. MacDONNEL, was appointed.

The name of William Hunt was associated with that of Henan CHI at the time of the liquidation and the resignation of the first named as American Vice-Consul was closely linked with the transactions that had passed between Hunt and Chi. The Union Trading Company had in a godown merchandise on which Henan CHI succeeded in securing an "attachment" from the American Consular Court thanks to the "good offices" of Hunt; as a result of this operation several creditors were frustrated from securing large assets. The operation failed to have the success intended, but William Hunt was sufficiently compromised to have to resign.

In concluding, it has to be noted that - and it is a remarkably strange coincidence - Mr. R. T. MacDonnell, liquidator of Henan CHI's affairs, is now General Manager of William Hunt & Company.

Shanghai, le 20 décembre 1939.

CONFIDENTIEL

N O T E

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La "William Hunt & Co." maison américaine, a été fondée il y a plus de deux ans par M. William P. HUNT, habitant Shanghai et ses frères, MM. Harry J. HUNT, Albert H. HUNT et M.E. HUNT, se trouvant aux Etats-Unis.

Le but immédiat de l'organisation de la compagnie aurait été l'exploitation des intérêts de la "China Merchant's Steam Navigation Co", contrôlée par le Gouvernement nationaliste chinois, afin d'éviter la saisie par les Japonais des propriétés appartenant à cette dernière compagnie.

C'est le 9 novembre 1937 (donc deux jours avant l'occupation de Nantao par les Japonais) que la "William Hunt" a pris officiellement sous son contrôle les propriétés de la "China Merchant's Steam Navigation Co", sise sur les quais de Kin Lee Yuen, dont le nom fut changé ensuite en celui de "Roosevelt Terminal" (1).

Petit à petit, la "William Hunt" étendit son contrôle aux autres entreprises chinoises, désireuses d'éviter le contact avec les japonais.

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(1) Cf. la lettre de M.J.K. CHOY, directeur de la "China Merchant's Steam Navigation Co" au directeur des services de Police en date du 13 novembre 1937.

Aujourd'hui, cette compagnie contrôle officiellement, en plus des intérêts de la "China Merchant's Steam Navigation Co," les entreprises suivantes :

1/ Hunt Engineering Corporation, 53 Foochow road

2/ Hunt Steamship Corporation (ex-China Foreign s/s Corporation) 53 Foochow road

3/ China Foreign Assurance Corporation

4/ China Foreign Trade Corporation, 47 Ningpo road

5/ Nanyang Bros Tobacco Co, Inc. I83-5 Avenue Edward VII.

6/ Watson's Mineral Water Co, Inc. 6I3 Avenue Haig.

7/ China Corporation.

Notons que dans presque tous les cas, la "William Hunt" ne sert que de prête-nom et que les entreprises mentionnées plus haut continueraient à être dirigées par leurs vrais propriétaires chinois.

C'est dans ce "contrôle double" qu'il faut chercher d'abord la possibilité de relations entre la William Hunt" et les firmes allemandes. En effet, certaines de ces entreprises chinoises étaient et sont encore en rapports avec les maisons allemandes. Citons par exemple, la "China Foreign Trade Corporation", Agent de l'Allgemeine Elektizitaets Gesellschaft (AEG) Berlin. Le gérant actuel de la "China Foreign Trade Corporation" est un nommé S. HALAS qui serait d'origine Tchèque ou Slovaque. Venant d'Europe, il serait arrivé à Shanghai il y a 5 ou 6 mois pour occuper le poste de "manager" technique de la succursale locale de l'"AEG" 267 Kiangse road.

Notons d'autre part que M.W. HUNT est en relations étroites avec certains hauts fonctionnaires du gouvernement de Chungking. Il est très vraisemblable qu'il puisse utiliser le statut neutre de sa maison pour "favoriser" l'expédition en "Chine Libre", via l'Indochine, de marchandises allemandes, commandées par les firmes chinoises contrôlées par lui ou par ses amis chinois.

Il nous a été impossible jusqu'à présent d'établir un cas concret d'une telle opération car il s'agit de transactions très délicates. Il paraît, d'autre part, que la succursale de Hongkong de la "William Hunt" joue un rôle important dans les transactions de ce genre. Néanmoins, nous continuons l'enquête, et si nous pouvons obtenir d'autres informations sur cette affaire elles seront communiquées immédiatement.

Ci-après les renseignements sur M.W. HUNT, directeur de la compagnie :

Né le II mai I900 à Niagara Falls, N.Y. U.S.A. de Harry J. HUNT et de feue Alice ROGERS. Marié à Mme Vera FRISK à Shanghai le 2I décembre I927, il a une fille. Il habite au No. I69 Route Winling.

Ancien élève de : Emerson Institue, George Washington University & National Law School de Washington. Il fut employé au Sénat Américain de I9I8 à I925 et fut associé dans la firme d'avocats WENDELL, JONES & JONES de Washington de I923 à I925.

Il fut nommé Vice-Consul des U.S.A. à Tientsin en I925 et arriva en Chine le 2 mai I925.

Il dut démissionner en I927 à la suite d'une affaire scandaleuse dans laquelle il fut compromis et dont voici les détails:

En I924 une maison chinoise très importante, l'Union Trading Co, fit une faillite de plusieurs centaines de milliers de dollars. Les entreprises de cette maison étaient très variées; importation d'outillage, des farines américaines, exportation de noix, d'arachides, de coton etc...; la maison avait aussi des intérêts dans les salines du Nord. L'administrateur-délégué de cette compagnie, Henan CHI, ancien étudiant retourné d'Amérique, avait de nombreuses accointances dans les milieux politiques chinois du Nord de la Chine; personnellement il devait être intéressé dans le trafic des stupéfiants. Mais c'est surtout dans des opérations malheureuses de change qu'il dilapida les fonds de l'Union Trading Co; un certain nombre de malversations avaient servi à cacher pendant assez longtemps les pertes financières faites par Henan CHI.

Celui-ci était personnellement redevable à la Chung Yuen Bank, située rue de Takou en Concession Britannique Tientsin, d'une somme de $ I25.000; comme le général CHU YU PU, gouverneur du Shantung, avait des intérêts dans la Chung Yuen Bank, il fit arrêter Henan CHI qui fut détenu pendant plus de I8 mois. Sur une promesse de libération, CHI accepta de transférer au nom du directeur de la Chung Yuen Bank un certain nombre d'actions ou créances recouvrables pour le montant de la dette. Mais, lorsque la Chung Yuen Bank voulut négocier ces titres, on s'aperçut que certaines formalités de transfert nécessitant la signature de Henan CHI n'avaient pas été effectuées. Henan CHI mit alors sa signature en balance contre sa liberté et obtint son élargissement. Dès sa sortie de prison, il renia tous les engagements pris à l'égard

de la Chung Yuen Bank, lesquels lésaient les autres créanciers, et sur l'intervention de ces derniers la Police Française de Tientsin réussit à remettre la main sur les valeurs qui devaient être transférées à la Chung Yuen Bank.

La liquidation de l'Union Trading Co fut alors entreprise légalement et un liquidateur fut nommé, c'était M.R.T. MacDONNEL.

Le nom de William HUNT a été associé à celui de Henan CHI à l'occasion de cette liquidation et la démission du premier de ses fonctions de Vice-Consul de l'U.S.A. aurait quelque rapport avec des tractations intervenues entre William HUNT et Henan CHI. L'Union Trading Co avait en godown des marchandises sur lesquelles Henan CHI réussit à obtenir un "Attachement" de la Cour Consulaire Américaine grâce à une certaine complaisance de William HUNT; par cette opération les créanciers auraient été frustrés d'un actif assez considérable. En définitive cette opération n'aurait pas réussi, mais William HUNT s'y serait suffisamment compromis pour être mis dans l'obligation de démissionner.

Notons, pour terminer que - coincidence assez bizarre - Mr. R.T. Mac DONNEL, liquidateur de la faillite Henan CHI, est actuellement "General Manager" de la Compagnie "William Hunt"./.

MHH

FM. 2
G. 90M-1-39

File No.

SHANGHAI MUNICIPAL POLICE.

S.1, Special Branch B. Station.

REPORT

Date December 13, 1939.

Subject Affairs of William Hunt & Co.

Made by D.S. McKeown Forwarded by D.I. Crawford

Further to the report submitted on October 20, 1939 regarding the allegation that the premises of William Hunt & Co. may be used as a depot for certain activities in the Settlement or there may be an attempt to take over the China Merchants Steam Navigation Company, extensive enquiries under the supervision of D.I. Kuh Pao Hwa show that there is no evidence to confirm these allegations. Details of the various firms operating in 17 Foochow Road are attached to this report. Many of the firms certainly have Japanese connections but these are necessary if trade is to be conducted in Japanese occupied areas. Observation duty has failed to reveal visits of the Japanese Military or the attendance of cars bearing S.D.F. licence plates. It is quite possible that William Hunt & Co. are anxious to be rid of tenants undesirable from other than a political point of view.

J. McKeown
D. S.

D.C. (Special Branch)

SUB-TENANTS OF 17 FOOCHOW ROAD

Tsung Hui Pao Newspaper (總匯報)	:	Promoter : General Matsui Nominal owner : A.K. Kienn, American, Chief of the Advertising Department of the Henningsen Produce Co. Chinese Manager : Dr. Peter Hsu ( ), aged 38, a native of Kinhwa, Chekiang, residing at 29 Zang Cen Li (長安里), Woosung Road. Formerly editor of Nanking Daily in Nanking and Dean of the Science Faculty of the Honan University, Honan. Dr. Peter Hsu was sent to Shanghai to conduct the newspaper by order of Chen Chun (陳群), Minister of Interior of the Reformed Government, Nanking. The capital is $20,000 and the rent for the premises is $950.00 per month. This paper is the organ of the "Reformed Government" which will be utilized to attack the Wang Ching Wei clique should it start to oppose the "Reformed Government". The organ of the Wang Ching Wei clique is the Central China Daily News.
The Overseas China Trading Co. or Dah Nyi Co. (大義公司)	:	This company is attached to the office of the Tsung Hui Pao Newspaper. It is operated by Dr. Peter Hsu mentioned above. There is no suspicion that the other tenants (business concerns) in 17 Foochow Road are engaged in political activity. Nothing of a suspicious nature came to notice during the observation kept at the address.
Jen Hwo Cotton Co.	:	Shanghai Office.
Dah Shing Wheat & Rice Dealers	:	Shanghai Office.
Cotton Merchants Association	:	A Sino-Japanese concern dealing in cotton business.
Yu Kee Shipping Hong	:	Formerly situated at 2 Ziang Shing Li, Rue de la Mission and removed to this address at the end of October. Manager and proprietor of the hong is Koh Ngoeh Hai (郭玉海).

Kung Li Transportation Co.	:	Engaged in transporting cereals and cotton on behalf of clients.
Lien Chang Wheat & Rice Dealers	:	Dealing in rice, wheat, bean and other cereals.
Dah Feng Silk Merchants	:	Doing wholesale business in silk in interior.
Paper Association	:	Formerly situated at 10 Siking Road and dealing in paper.
Foo Kee Wheat and Rice Dealers	:	Dealing in beans, rice and other cereals.
An Feng Shipping & Transportation Co.	:	Manager : Foong Ching Zung (朱金聲). Vice-Manager : Huang Wei Jui (黃偉如). It operates under the Inland River Navigation Co. (Japanese owned) and owns a steam launch "Dah Hwa" (大華) which runs between Shanghai and inland ports, transporting commodities on behalf of clients.

CONFIDENTIAL

SHANGHAI MUNICIPAL POLICE.

S.1, Special Branch

REPORT

SHANGHAI MUNICIPAL POLICE
S. B. REGISTRY
File No. D. 948 30
No. 20 11 39

Date October 23, 1939.

Subject. Affairs of William Hunt & Co.

Made by D.S. McKeown Forwarded by

During the afternoon of October 17. Mr. KENT. executive manager of William Hunt & Co. Steamship Corporation with offices at 53 Foochow Road, came to the office of the Special Branch with an introduction from Mr. ENGDAHL. U.S. Vice Consul. He stated that he had suspicions regarding the tenants of part of the office premises in Foochow Road, formerly the property of the China Merchants' Steam Navigation Company and now the property of William Hunt & Co. One suspicion arose from the fact that a pro-WANG CHING WEI paper was sub-leasing part of the office space of one of the buildings situated at 17 Foochow Road. This paper is actually owned by TUNG SIAO YUE 孫嘯雲 (董小友), the assumed name of SUNG KUNG BOO, 孫東吳 the editor of the United Press of China, a Japanese owned publication in the Chinese language. The nominal owner is A.M. KIEHN, American, well known in Shanghai for his attempts to pass bad cheques. KIEHN, a Japanese agent, has recently returned from a visit to Japan.

In a further interview clarifying the situation, Mr. KENT stated that there was a suspicion that most of the office block situated at 17 Foochow Road had been taken over by pro-Japanese elements. Military cars have been seen outside No.17 and Japanese seen entering the building. On two occasions safes have been opened in the executive office of William Hunt but nothing removed. The disarrangement

See S/B file D 8149-C640

DEPUTY COMMISSIONER 23 OCT. 1939

SHANGHAI MUNICIPAL POLICE 23 OCT. 1939 COMMISSIONER'S OFFICE

FM. 2
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SHANGHAI MUNICIPAL POLICE.

File No.....

REPORT

- 2 -

.....Station,

Date.....19

Subject.....

Made by.....Forwarded by.....

of the papers inside was noticed by the American female secretary who had access to the safe. On the second occasion the three private Sikh watchmen, one of whom is stated to be a Japanese agent were dismissed and Police watchmen engaged. The Chinese staff are for the most part unreliable. While there may be a scheme to attempt to take over the China Merchants' Steam Navigation Company, there is also a possibility that 17 Foochow Road may have been taken over as a depot for certain activities in the Settlement. Discreet enquiries are being made regarding the occupants of the building.

H. M. Brown
D. S.

D.C. (Special Branch).

DC Dwis
For information

SHANGHAI MUNICIPAL POLICE
OCT 20 1939
DEPUTY COMMISSIONER
SPECIAL BRANCH

NORTH-CHINA DAILY NEWS.

New Council Member Co-Opted to Seat

Mr. R. T. McDonnell Succeeds Mr. J. W. Carney

Mr. R. T. McDonnell has been co-opted for the remainder of the Municipal year to the vacant seat on the Shanghai Municipal Council created by the resignation of Mr. J. W. Carney, in accordance with the provisions of Article XX of the Land Regulations.

Mr. McDonnell will also take Mr. Carney's place on the following Council Committees: Works Committee, Staff Committee, Public Utilities Committee and Health Committee.

Mr. McDonnell was for two years a member of Council of the British Concession at Tientsin.

SHANGHAI MUNICIPAL COMMISSIONER'S OFFICE
JAN. 1940

INDEXED BY
(S.D.) REGISTRY
DATE 18/1/40